

UTILITIES SERVICE BOARD MEETING
May 16, 2005

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Jeff Ehman, Dick Eherenman, Sam Vaught, Rachel Tolen, and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, Mike Bengtson, John Langley, Tom Staley, Jane Fleig, Vickie Renfrow, Mike Hicks, Ed Sherfield, and Steve Saulter. Also present: Margaret Fette representing the Libertarian Party of Indiana, Ben Beard representing Gentry Development, Ted Ferguson representing the South Central Regional Sewer District, Sam Mason, Jeff Kaden representing Indiana University, Rick Coppock representing Bynum Fanyo & Associates, Michael Schroeder representing the Herald-Times, Jeff Morris representing M. E. Simpson, and Mike Carmin representing Sam Mason. (A sign-up sheet is attached to the minutes.)

Before the start of the business meeting, Board President Swafford introduced and welcomed Rachel Tolen who was appointed to serve on the Utilities Service Board.

MINUTES OF PREVIOUS MEETING:

EHRENMAN MOVED AND VAUGHT SECONDED THE MOTION TO APPROVE THE MINUTES OF THE MAY 2, 2005 MEETING AS PRESENTED. MOTION CARRIED. 5 AYES. 2 MEMBERS ABSENT (HENKE AND WHIKEHART).

Board member Henke arrived at the meeting at this time.

CLAIMS:

VAUGHT MOVED AND EHRENMAN SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0590587 THROUGH 0590652 INCLUDING \$97,552.40 FROM THE WATER OPERATIONS & MAINTENANCE FUND AND \$32,935.00 FROM THE WATER CONSTRUCTION FUND FOR A TOTAL OF \$130,487.40 FROM THE WATER UTILITY; CLAIMS 0530355 THROUGH 0530394 INCLUDING \$196,791.64 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$196,791.64 FROM THE WASTEWATER UTILITY; AND CLAIMS 0570053 THROUGH 0570058 INCLUDING \$14,594.22 FROM THE WASTEWATER/STORMWATER FUND FOR A TOTAL OF \$14,594.22 FROM THE WASTEWATER/STORMWATER UTILITY. TOTAL CLAIMS APPROVED - \$341,873.26.

MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

PETTY CASH FOR THE MONTH OF APRIL 2005:

EHMAN MOVED AND EHERENMAN SECONDED THE MOTION TO APPROVE PAYMENT OF THE PETTY CASH CLAIMS FOR APRIL 2005 IN THE AMOUNT OF \$650.65. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

CUSTOMER REQUEST FOR ADJUSTMENT ON ACCOUNT:

Board member Vaught stated that Ann Marie Staub, customer #88217, requested an adjustment on her account. The meters were crossed with 2311 B South Rockport Road. The problem was corrected. Ms. Staub's account was credited for the charges during the time period, and was then debited for the amounts that were owed. The total due at the present time is \$91.27. Ms. Staub does not feel that this amount should be her responsibility. Ed Sherfield of the Transmission & Distribution Department explained how the problem occurred and what was done to correct the matter. Neither Ms. Staub nor her representative appeared at the meeting. After much discussion, the following motion was presented:

VAUGHT MOVED AND EHMEN SECONDED THE MOTION TO DENY THE REQUEST FOR ADJUSTMENT DUE TO THE FACT THAT THE WATER ACTUALLY WENT THROUGH THE METER AND TO ADVISE MS. STAUB TO CONTACT THE CUSTOMER SERVICE DEPARTMENT TO SET UP A PAYMENT AGREEMENT. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

OPTIONS FOR LOCATION OF UTILITIES DEPARTMENT:

Finance Subcommittee Chairman Vaught reported that the Finance Subcommittee met and discussed three options for housing the Utilities Department:

1. Tear down the old structure completely, except for the garage, and construct a new building.
2. Remodel the existing building.
3. Purchase or lease the currently occupied space at 501 North Morton and remodel for the Utilities Department.

The feeling among the Finance Subcommittee members was that the entire Utilities Department should be housed together in a location that would provide easy access to the Customer Service Department and ample parking for employees and customers. It was, therefore, recommended by the Finance Subcommittee that the old structure be torn down and a new building constructed.

Board President Swafford announced that Requests for Proposals will be sent to architects who indicate an interest in the project.

VAUGHT MOVED AND EHERENMAN SECONDED THE MOTION TO APPROVE THE RECOMMENDATION OF THE FINANCE SUBCOMMITTEE AND TEAR THE OLD STRUCTURE DOWN, EXCEPT FOR THE GARAGE, AND CONSTRUCT A NEW BUILDING. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

AGREEMENT FOR PROFESSIONAL SERVICES – M. E. SIMPSON COMPANY, INC. –
FIRE HYDRANT FLOW TESTING PROGRAM:

HERENMAN MOVED AND HENKE SECONDED THE MOTION TO APPROVE THE AGREEMENT FOR PROFESSIONAL SERVICES – M. E. SIMPSON COMPANY, INC. – FIRE HYDRANT FLOW TESTING PROGRAM. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

CHANGE ORDER #1 – GRIMES LANE LIFT STATION PROJECT – REED & SONS
CONSTRUCTION:

VAUGHT MOVED AND HENKE SECONDED THE MOTION TO APPROVE CHANGE ORDER #1 – GRIMES LANE LIFT STATION PROJECT – REED & SONS CONSTRUCTION. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

ADDENDUM TO CONTRACT WITH MONROE COUNTY REGIONAL SEWER DISTRICT:

Assistant City Attorney Renfrow presented Board members with a redlined version of the contract, a final version of an addendum to the contract with the Monroe County Regional Sewer District, and a map illustrating the area involved. (A copy of each document is attached to the minutes.) The name of the group has been changed to the South Central Regional Sewer District; therefore, an amendment was necessary.

Attorney Ted Ferguson, representative of the South Central Regional Sewer District, explained the project and that this project has been planned for several years.

Attorney Mike Carmin, representing Sam Mason, explained that Mr. Mason had done the preliminary work on this project and that now his parcel of land would not be included in the area eligible for sewer connection. Mr. Carmin requested that the contract be changed to include Mr. Mason's property.

Board members were assured by the Utilities Department staff, by representatives of the new sewer district, and by representatives of Bynum Fanyo that the system was being sized to fit the population to be served north of 46. The area south of 46 can be added at a later time with a change in pumps. It was pointed out that the lift station was **not** being built with excess capacity at this time.

After considerable discussions, two motions were presented for this matter:

HENKE MOVED AND EHMAN SECONDED THE MOTION TO AMEND THE CONTRACT TO INCLUDE THE PROPERTY OWNED BY SAM MASON WITH A MAXIMUM OF 30 SEWER CONNECTIONS ALLOWED, TO INSTALL SEWER LINES WITH SUFFICIENT CAPACITY FOR THE 30 SEWER CONNECTIONS, AND TO ASK ASSISTANT CITY ATTORNEY RENFROW TO AMEND THE CONTRACT AS INSTRUCTED. MOTION CARRIED. 5 AYES. 1 NAY (TOLEN). 1 MEMBER ABSENT (WHIKEHART).

HENKE MOVED AND EHMAN SECONDED THE MOTION TO APPROVE THE CONTRACT AS IT WILL BE AMENDED BY ASSISTANT CITY ATTORNEY RENFROW. MOTION CARRIED. 6 AYES. 1 MEMBER ABSENT (WHIKEHART).

OLD BUSINESS:

Vickie Renfrow –

Assistant City Attorney Renfrow presented Board members with two definition changes that she would like made in the Rules, Regulations and Standards of Service. (A copy of the request is attached to the minutes.

The first definition was for residential user for wastewater purposes. The following was proposed:

DEFINITION OF “RESIDENTIAL USER” FOR WASTEWATER PURPOSES. Title 10 of the Bloomington Municipal Code (“BMC”) deals with the wastewater utility. Section 10.04.010 provides in paragraph (28) that “residential user” means “any single-family or double-family dwelling which generates wastewater.” There is no definition for “residential user” for wastewater utility purposes in the CBU *Rules, Regulations and Standards of Service* (“Rules”); therefore it is recommended that the following definition be added to the list of definitions at the end of the Rules:

“residential user” means any single-family or double-family dwelling which is individually metered, which generates wastewater. This definition is for wastewater billing purposes only.

The clarifying language “which is individually metered” will need to be added to BMC 10.04.010 (28) when CBU goes to Council for a rate adjustment.

EHRENMAN MOVED AND HENKE SECONDED THE MOTION TO APPROVE THE CHANGE IN DEFINITION AS PROPOSED BY ASSISTANT CITY ATTORNEY RENFROW AND ASKED THAT THE CHANGE BE MADE IN THE RULES, REGULATIONS, AND STANDARDS OF SERVICE.

The second definition change was for the summer sewer average. The following was proposed:

2. SUMMER WASTEWATER RATES FOR RESIDENTIAL USERS. In the BMC there are two sections which deal with the summer wastewater rates for residential users. Section 10.08.030 (a) states that:

The residential user rates and charges shall be based upon the quantity of water used on or in the property or premises subject to the rates and charges, as water is measured by the city water meter there in use, except as otherwise provided. Residential summer rates for the months of June, July, August, and September shall be based upon the average of April and May or actual usage, whichever is less. All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use.

BMC section 10.08.040 states in the note below the table of charges for metered water users:

Residential summer rates for billings issued during the months of June, July, August, and September shall be based upon the average metered water consumption for billings issued during the months of April and May or actual usage, whichever is less. In order to more accurately reflect the actual wastewater usage of these customers, the Utilities Services Board may, by the adoption of a resolution, change the months used to set the summer rates and the length of time the summer rates are in effect. All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use.

CBU Rules section 4.8 provides that:

Summer Wastewater Rates. Residential wastewater rates for the months of June, July, August, and September shall be based on the average month's billing for April and May. All other Customer classes will pay according to actual water usage.

In order to clarify that the summer discount is for water service received in June, July August and September but billed in July, August, September and October, and to make the language in the Rules more consistent with that in the BMC, the following language is recommended:

4.8 Summer Wastewater Rates. Residential user summer rates for billings issued during the months of July, August, September and October shall be based upon the average metered water consumption for billings issued during the months of May and June or actual usage, whichever is less.

4.8.1.1 In order to more accurately reflect the actual wastewater usage of these customers, the Utilities Service Board may, by the adoption of a resolution, change the months used to set the summer rates and the length of time the summer rates are in effect.

4.8.2 All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use and to the provisions of Section 4.12 Wastewater Deductions Exemptions, and its subsections.

4.8.3 Industrial user rates and charges shall be based on the quantity of water used as well as any special service rates that may apply.

Section 4.12 and its subsections referenced in proposed 4.8.2 deals with conditions and limitations for obtaining credit on a wastewater billing for water that does not discharge into the sanitary sewers. The language clarifying which billings are the basis for the summer rate and to which billings the rate will apply will need to be added to BMC 10.0.030 and 10.08.040 when CBU goes to Council for a rate adjustment.

After considerable discussion, action on the summer sewer average proposal was postponed until a later date in order to allow Assistant City Attorney Renfrow to change the proposal as recommended by Board members.

Patrick Murphy –

Utilities Director Murphy reported that between the dates of January 1, 2004, to April 30, 2005, there was a total of 799 new customers. Mr. Murphy reminded Board members that 1 new customer equals 1 new service.

NEW BUSINESS:

Steve Saulter –

Assistant Director Saulter reported that on May 9, 2005, funds from the BAN in the amount of \$2.5 million dollars were received. The money will be used for water construction, and Board members will be kept updated on how the money is spent.

Patrick Murphy –

Utilities Director Murphy reminded Board members that the next meeting will be on Tuesday, May 31, 2005, since Monday, May 30, 2005, is a holiday.

SUBCOMMITTEE REPORTS:

No additional subcommittee reports were presented.

STAFF REPORTS:

John Langley –

Deputy Director Langley reported that on May 10th and 11th four representatives from the Dillman Wastewater Treatment Plant (Laura Brinegar, Danny McConnell, Wayne

Henderson, and Carole Moy) took part in competition sponsored by the Indiana Water Environment Association. They received a first place in safety, scored 92 out of 100 possible points in lab, and received the team spirit award for enthusiasm and team work. Board members asked Mr. Langley to convey their congratulations and appreciation for such good work.

PETITIONS AND COMMUNICATIONS:

No petitions and communications were presented.

ADJOURNMENT:

The meeting was adjourned at 7:11 p.m.

L. Thomas Swafford, President